

**RULES  
OF  
TENNESSEE DEPARTMENT OF HUMAN SERVICES  
FAMILY ASSISTANCE DIVISION**

**CHAPTER 1240-1-6  
MEDICAID COVERAGE AFDC ONLY**

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**1240-1-6-.01 MEDICAID COVERAGE.** Medicaid coverage is authorized for all recipients of cash assistance (AFDC, AFDC-FC and SSI) and all recipients classified as Medicaid Only (explained in §§ 1240-1-3-.05). Other Medicaid coverage groups are detailed in the Medicaid Services Manual.

***Authority:** TCA §14-3-102; 47 CFR 206.10; PL 97-35. **Administrative History:** Original rule filed August 15, 1980; effective September 29, 1980. Repeal and new rule filed December 10, 1981; effective January 25, 1982.*

**1240-1-6-.02 AUTHORIZING MEDICAL BENEFITS.** Medicaid benefits are authorized to begin on the first day of the month for which eligibility is established or date of birth for a newborn added at birth. The newborn is deemed to have applied for Medicaid and to be eligible on date of birth if the mother is eligible for and receiving Medical Assistance at the time. Medicaid benefits continue for the newborn until case closure. Even though a money payment application is filed late in the month and money payment begins on the date of application, Medicaid eligibility will be retroactive to the first day of the application month or date of birth of newborn. It may extend retroactively up to three calendar months prior to the application month as explained in rule 1240-1-6-.03.

***Authority:** TCA §§14-3-102 and 14-8-106, 45 CFR 206.10, PL 97-35, PL 98-369 §2362. **Administrative History.** Original rule filed August 15, 1980; effective September 29, 1980. Repeated and new rule filed December 10, 1981; effective January 25, 1982. Repeal and new rule filed January 7, 1985; effective February 6, 1985.*

**1240-1-6-.03 RETROACTIVE MEDICAID COVERAGE.**

- (1) Every applicant for AFDC or Medicaid only must be given the opportunity to request Medicaid coverage for the three calendar months prior to the month of application.
- (2) Determination of eligibility for retroactive Medicaid coverage is an eligibility decision in and of itself and in no way impacts on AFDC or Medicaid Only eligible for the application month. Therefore, retroactive Medicaid may be approved for an AFDC or Medicaid Only application even through he/she may be determined ineligible for AFDC or Medicaid Only for the month of application and subsequent months.
  - (a) Eligibility Requirements. The only requirements for retroactive Medicaid coverage are:
    1. that an AFDC or Medicaid Only application be filed;
    2. that the applicant have unpaid medical bills incurred within the three calendar months prior to the month of application; and

(Rule 1240-1-6-.03, continued)

3. that the applicant would have been eligible both technically and financially for AFDC or Medicaid Only in the three months for which retroactive Medicaid is requested if he/she had filed an AFDC or Medicaid Only application.

(b) Determining Retroactive Eligibility.

1. AFDC policies and budgeting are applied to all or any of the three retroactive months to establish the applicant's eligibility.
2. If an applicant is eligible in all three months of the retroactive period and has unpaid medical bills in all three months, coverage will be given beginning the first day of the first month, and extending through the last day of the third month prior to the application month.
3. If the applicant is eligible in only one or two of the three prior months and has unpaid medical bills incurred in those months, Medicaid will be approved for the one or two months that he/she is eligible.
4. When only one individual in an eligible aid group of two or more has unpaid bills, Medicaid coverage is granted to all aid group members.
5. Income in the retroactive months is budgeted for each month for which Medicaid is requested to determine if gross income exceeds 185 % of need. If that test is passed, the same earned income deductions/disregards are applied as for an AFDC recipient. If the applicant would have been eligible for a money payment, he/she is eligible for Medicaid. Eligibility for each month is determined independently of the other two months. Eligibility for the \$30 disregard and the 1/3 disregards during the retroactive period does not automatically entitle the applicant to these disregards for the AFDC application month. This must be established separately. The application of the \$30 and 1/3 disregards for the three months of retroactive Medicaid coverage is not counted toward the accumulation of consecutive months of these disregards allowed for cash assistance purposes.

- (e) Retroactive Medicaid Coverage for Persons Added to an Aid Group. Retroactive Medicaid coverage applies to all applications, including reapplications and the addition of individuals to an aid group. Eligibility for these applicants is determined as described in (a) above. Retroactive Medicaid coverage cannot be given to any person who had Medicaid coverage during the three months prior to the application month.

**Authority:** TCA §§14-3-102; 14-8-106;- PL 97-35; PL 98-369; §§2621;2623; 45 CFR 206. 10. **Administrative History:** Original rule filed August 15, 1980; effective September 29, 1980. Repeal and new rule filed December 10, 1981; effective January 25, 1982. Amendment filed January 7, 1985; effective February 6, 1985.

**1240-1-6-.04 FAMILY MEMBERS NOT COVERED BY MEDICAID.** When the only child is certified for Medicaid Only, the caretaker is not eligible to receive Medicaid benefits.

**Authority:** TCA §14-8-106; 45 CFR 435.10 and 435.11. **Administrative History:** Original rule filed August 15, 1980; effective September 29, 1980.

**1240-1-6-.05 RESERVED FOR FUTURE USE.**

(Rule 1240-1-6-.06, continued)

**Authority:** TCA §14-8-106, 45 CFR 435.10 and 435.11. **Administrative History:-** Original rule filed August 15, 1980, effective September 29, 1980.

**1240-1-6-.06 EXTENDED MEDICAID COVERAGE.** Medicaid benefits shall be continued for members of an assistance unit under the circumstances and for the time periods below:

- (1) Closure Because of Increased Earnings. Medicaid benefits are extended for 4 calendar months when an AFDC case becomes ineligible because of increased income from employment. The assistance unit must have received AFDC for at least 3 out of the 6 months prior to the month of ineligibility and a member of the filing unit must continue to be employed.
  - (a) Only those persons included in the assistance unit (for money payment or Medicaid Benefits Only) can receive extended coverage.
  - (b) The family member whose increased earnings result in termination of AFDC benefits must be a member of the assistance unit.
  - (c) The four months extended Medicaid coverage begins in the month of AFDC closure when due to timely reported/processed earnings, or in the initial month of ineligibility if the earnings are not timely reported/processed.
- (2) Closure Due to Support Collection. Medicaid coverage is extended for 4 calendar months beginning with month of closure when ineligibility occurs entirely or in part because of child or spousal support. The assistance unit must have received AFDC at least 3 out of 6 months prior to the effective month of closure.
- (3) Closure Due to Loss of the \$30 and/or 1/3 Disregards. Medicaid coverage is extended for 9 calendar months beginning with the month of closure when ineligibility results because of loss of the \$30 and/or 1/3 disregards in non-penalty situations.

**Authority:** TCA §§14-3-102 and 14-8-106; 45 C.F.R 435.10, 435. 11 and 435.112; PL 98-369 §2624. *Child Support Enforcement Amendments of 1984, §20.* **Administrative History:** Original rule filed August 15, 1980, effective September 29, 1980. New rule filed January 7, 1985; effective February 6, 1985.

**1240-1-6-.07 RESERVED FOR FUTURE USE.**

**Authority:** TCA §14-8-106; 45 CFR 435.10 and 435.11. **Administrative History:** Original rule filed August 15, 1980, effective September 29, 1980.